

# SENATE MOTION

**MR. PRESIDENT:**

**I move** that Engrossed House Bill 1004 be amended to read as follows:

- 1       Page 33, line 18, delete "business personal property" and insert
- 2       **"inventory"**.
- 3       Page 37, line 31, delete "Business personal property means tangible
- 4       property (other)" and insert **"Inventory has the meaning set forth in**
- 5       **IC 6-3-1-11(a).".**
- 6       Page 37, delete lines 32 through 36.
- 7       Page 38, line 22, delete "thirty-nine" and insert **"thirty"**.
- 8       Page 38, line 22, delete "(39%)" and insert **"(30%)"**.
- 9       Page 39, line 32, delete "thirty-nine percent (39%)" and insert
- 10       **"thirty percent (30%)"**.
- 11       Page 39, line 41, delete "thirty-nine percent (39%)" and insert
- 12       **"thirty percent (30%)"**.
- 13       Page 40, line 37, delete "thirty-nine" and insert **"thirty"**.
- 14       Page 40, line 38, delete "(39%)" and insert **"(30%)"**.
- 15       Page 41, line 8, delete "thirty-nine percent (39%)" and insert **"thirty**
- 16       **percent (30%)"**.
- 17       Page 41, line 14, delete "thirty-nine" and insert **"thirty"**.
- 18       Page 41, line 15, delete "(39%)" and insert **"(30%)"**.
- 19       Page 42, line 5, delete "business personal property" and insert
- 20       **"inventory"**.
- 21       Page 42, line 30, delete "thirty-nine" and insert **"thirty"**.
- 22       Page 42, line 30, delete "(39%)" and insert **"(30%)"**.
- 23       Page 45, line 8, delete "thirty-nine" and insert **"thirty"**.
- 24       Page 45, line 9, delete "(39%)" and insert **"(30%)"**.
- 25       Page 45, line 36, delete "thirty-nine" and insert **"thirty"**.
- 26       Page 45, line 37, delete "(39%)" and insert **"(30%)"**.
- 27       Page 48, line 9, delete "business personal property" and insert
- 28       **"inventory"**.
- 29       Page 48, line 23, delete "business personal property" and insert
- 30       **"inventory"**.

1 Page 53, line 21, delete "thirty-nine" and insert "**thirty**".

2 Page 53, line 21, delete "(39%)" and insert "**(30%)**".

3 Page 54, between lines 31 and 32, begin a new paragraph and insert:

4 "SECTION 36. IC 6-2.1-1-0.7 IS ADDED TO THE INDIANA  
5 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
6 [EFFECTIVE JANUARY 1, 2003]: **Sec. 0.7. This article applies only**  
7 **to a taxpayer that is a public utility company.**

8 SECTION 37. IC 6-2.1-1-2 IS AMENDED TO READ AS  
9 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 2. (a) Except as  
10 expressly provided in this article, "gross income" means all the gross  
11 receipts a taxpayer receives:

- 12 (1) from trades, businesses, or commerce;
- 13 (2) as admission fees or charges;
- 14 (3) from the sale, transfer, or exchange of property, real or
- 15 personal, tangible or intangible;
- 16 (4) from the performance of contracts;
- 17 (5) as prizes or premiums;
- 18 (6) from insurance policies;
- 19 (7) as damages or judgments;
- 20 (8) from the investment of capital, including interest, discounts,
- 21 rentals, royalties, dividends, fees, and commissions;
- 22 (9) from the surrender, sale, transfer, exchange, redemption of, or
- 23 distribution upon, stock of corporations or associations; and
- 24 (10) from any other source not specifically described in this
- 25 subsection.

26 (b) Except as provided in IC 6-2.1-4, no deductions from a  
27 taxpayer's gross income may be taken for return of capital invested,  
28 cost of property sold, cost of materials used, labor costs, interest,  
29 discounts, commissions paid or credited, losses, or any other expense  
30 paid or credited.

31 (c) The term "gross income" does not include:

- 32 (1) the receipt or repayment of borrowed money;
- 33 (2) receipts from the issuance or redemption of bonds;
- 34 (3) amounts received as payment of the principal amount of a note
- 35 taken in lieu of cash if:
  - 36 (A) the face value of the note was included in the taxpayer's
  - 37 gross income at the time of acceptance;
  - 38 (B) the note was taken before May 1, 1933; or
  - 39 (C) the note is a renewal of a note that was taken before May
  - 40 1, 1933;
- 41 (4) amounts received in payment of, or from the sale of, a
- 42 promissory note or retail installment contract described in
- 43 subsection (f) of this section to the extent the gross income tax
- 44 has previously been paid for the receipt of the promissory note or
- 45 retail installment contract;
- 46 (5) amounts received as withdrawal of deposits to the extent they
- 47 constitute principal;

(6) gross receipts received by corporations incorporated under the laws of Indiana from a trade or business situated and regularly carried on at a legal situs outside Indiana or from activities incident to such trade or business (including the disposal of capital assets or other properties which were acquired and used in such trade or business);

~~(7) that part of a commission received by a real estate broker that is paid within five (5) days of the receipt of the commission to a cooperating broker or to an associated broker or salesman;~~

~~(8) (7) amounts received by a corporation or a division of a corporation owned, operated, or controlled by its member electric cooperatives as payment from the electric cooperatives for electrical energy to be resold to their member-owner consumers;~~  
~~(9) amounts received by an association of members or a corporation as:~~

~~(A) regularly paid dues; initiation fees; or membership fees paid for social membership; and~~

~~(B) amounts paid to the organization by members if:~~

~~(i) the organization is organized not for profit;~~

~~(ii) such amounts are payable upon the death of a member and do not exceed one dollar (\$1) payable by each surviving member at the death of any one (1) member;~~

~~(iii) the number of members who are permitted to make such payments does not exceed one thousand seven hundred (1,700) at any one (1) time;~~

~~(iv) the total amount paid to the beneficiary of any one (1) deceased member does not exceed one thousand dollars (\$1,000); and~~

~~(v) the amounts received are only for the purpose of paying reasonable expenses of the organization and payments to beneficiaries of deceased members;~~

~~(10) (8) amounts received as the corpus of an outright gift, devise, or bequest;~~

~~(11) (9) cash discounts allowed and taken on sales;~~

~~(12) (10) goods, wares, or merchandise, or the value thereof, returned by customers if the sale price is refunded either in cash or by credit;~~

~~(13) (11) judgments for income that are not taxable under this article;~~

~~(14) (12) the receipt of capital by a corporation, partnership, firm, or joint venture from the sale of stock or shares in such corporation, partnership, firm, or joint venture, or contributions to the capital thereof;~~

~~(15) (13) the gross receipts represented by the value of real or tangible personal property received in reciprocal exchange for real or tangible personal property of like kind by and between the owners of the property to the extent of the value of the property or~~

the interest therein of which title is surrendered;

~~(+6)~~ **(14)** the gross receipts represented by the value of stock of a corporation or association received in a reciprocal exchange by and between the owners of the stock (including the issuing corporation or association) for stock in the same corporation or association to the extent of the value of the stock or the interest therein of which title is surrendered;

~~(+7)~~ **(15)** the gross receipts represented by the value of bonds or similar securities issued by a corporation or association received in a reciprocal exchange by and between the owners of the bonds or securities (including the issuing corporation or association) for bonds or similar securities issued by the same corporation or association to the extent of the value of such bonds or similar securities or the interest therein of which title is surrendered;

~~(+8)~~ **(16)** the gross receipts represented by the value of stocks, bonds, or other securities received in a reciprocal exchange by and between the owners of the stocks, bonds, or other securities for other stocks, bonds, or other securities to the extent title is surrendered, if the exchange is made in the course of a consolidation, merger, or other reorganization and the stock, bonds, or other securities received are issued by one (1) or more corporations or associations that are each a party to the reorganization;

~~(+9)~~ **(17)** the gross receipts represented by the value of stocks, bonds, or other securities received in a reciprocal exchange by and between the owners thereof of substantially all of the assets of another corporation if the exchange is made in the course of a consolidation, merger, or other reorganization and the stocks, bonds, or other securities received are issued by one (1) or more corporations or associations that are each a party to the reorganization; **and**

~~(20) in the case of insurance carriers, amounts that become or are used to maintain a reserve or other policy liability; to the extent the reserve or other policy liability is required to be maintained by the state of Indiana;~~

~~(21) in the case of domestic insurance carriers, premium income that is derived from business conducted outside Indiana on which the domestic carrier pays a premium tax of one percent (1%) or more; and~~

~~(22)~~ **(18)** amounts received by a joint agency established under IC 8-1-2.2 that constitutes a payment by a municipality that is a member of the joint agency for electrical energy that will be sold by the municipality to retail customers.

(d) The exclusion provided by clause (6) of subsection (c) does not apply to any receipts of a taxpayer received as interest or dividends, from sales, other receipts from investments not acquired or disposed of in connection with the taxpayer's regular business, or to bonuses or

1 commissions received by any taxpayer.

2 (e) The exclusion provided by subsection ~~(c) clause (14)~~ (c)(12)  
3 does not apply to proceeds that are derived from subsequent  
4 transactions in stock of such corporations or organizations or in the  
5 interest or shares of the members of any organization.

6 (f) The face amount of a retail installment contract or promissory  
7 note that is derived from the selling, providing, repairing, working with  
8 or on, or servicing of any personal property, or any combination of the  
9 foregoing, is includable in a taxpayer's gross income upon receipt.  
10 However, any part of a retail installment contract or promissory note  
11 that represents insurance premiums or consideration which the retail  
12 buyer contracts to pay the retail seller for the privilege of paying the  
13 principal balance in installments over a period of time is includable in  
14 a taxpayer's gross income when received.

15 (g) For purposes of this section:

16 (1) "Exchange" means the transfer of title or ownership by means of  
17 a transaction involving the barter or swap of property acquired prior to  
18 the exchange, by and between the owners of that property, with or  
19 without additional consideration. However, the term "exchange" does  
20 not include:

21 (A) any sale of property even though other property is purchased  
22 with the proceeds of the sale;

23 (B) any barter or swap of property where there are more than two  
24 (2) parties to the transaction; or

25 (C) any transaction where the property exchanged is acquired by  
26 one (1) party to the transaction as a result of negotiation or  
27 arrangement with the other party with the intent of effectuating an  
28 exchange of the property so acquired.

29 (2) "Like kind" means property of the same class and kind and has  
30 no reference to the grade or quality of such property.

31 SECTION 38. IC 6-2.1-1-9.5 IS ADDED TO THE INDIANA  
32 CODE AS A NEW SECTION TO READ AS FOLLOWS  
33 [EFFECTIVE JANUARY 1, 2003]: **Sec. 9.5. "Public utility**  
34 **company" means any of the following:**

35 (1) **A light, heat, or power company (as defined in**  
36 **IC 6-1.1-8-2).**

37 (2) **A pipe line company (as defined in IC 6-1.1-8-2).**

38 (3) **A telephone, telegraph, or cable company (as defined in**  
39 **IC 6-1.1-8-2).**

40 (4) **A water distribution company (as defined in IC 6-1.1-8-2).**

41 SECTION 39. IC 6-2.1-1-10 IS AMENDED TO READ AS  
42 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 10. "Receipts", as  
43 applied to a taxpayer, means the gross income in cash, notes, credits,  
44 or other property that is received by the taxpayer or a third party,  
45 including any limited liability company that is not itself a taxpayer (as  
46 defined in ~~IC 6-2.1-1-16(27))~~, **IC 6-2.1-1-16(22))**, for the taxpayer's  
47 benefit.

SECTION 40. IC 6-2.1-1-16 IS AMENDED TO READ AS  
FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 16. "Taxpayer"  
means any:

- (1) assignee;
- (2) receiver;
- (3) commissioner;
- (4) fiduciary;
- (5) trustee;
- (6) institution;
- (7) national bank;
- (8) bank;
- (9) consignee;
- (10) firm;
- (11) partnership;
- (12) joint venture;
- (13) pool;
- (14) syndicate;
- (15) bureau;
- (16) association;
- (17) cooperative association;
- ~~(18) society;~~
- ~~(19) club;~~
- ~~(20) fraternity;~~
- ~~(21) sorority;~~
- ~~(22) lodge;~~
- ~~(23) (18) corporation;~~
- ~~(24) (19) municipal corporation;~~
- ~~(25) (20) political subdivision of the state of Indiana or the state~~  
of Indiana, to the extent engaged in private or proprietary  
activities or business;
- ~~(26) (21) trust;~~
- ~~(27) (22) limited liability company (other than a limited liability~~  
company that has a single member and is disregarded as an entity  
for federal income tax purposes); or
- ~~(28) (23) other group or combination acting as a unit;~~

**that is a public utility company.**

SECTION 41. IC 6-2.1-2-2 IS AMENDED TO READ AS  
FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 2. (a) An income  
tax, known as the gross income tax, is imposed upon the receipt of:

- (1) the entire taxable gross income of a taxpayer who is a resident  
or a domiciliary of Indiana; and
- (2) the taxable gross income derived from activities or businesses  
or any other sources within Indiana by a taxpayer who is not a  
resident or a domiciliary of Indiana.

(b) The receipt of taxable gross income is subject to the applicable  
rate of tax fixed under section 3 of this chapter. ~~The rate of tax is~~  
~~determined by the type of transaction from which the taxable gross~~

1 ~~income is received.~~

2 SECTION 42. IC 6-2.1-2-3 IS AMENDED TO READ AS  
3 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. ~~(a) The receipt~~  
4 ~~of gross income from transactions described in section 4 of this chapter~~  
5 ~~is subject to a tax rate of three-tenths of one percent (0.3%).~~

6 ~~(b)~~ The receipt of gross income from transactions described in  
7 section 5 of this chapter is subject to a tax rate of one and two-tenths  
8 percent (1.2%).".

9 Page 55, between lines 6 and 7, begin a new paragraph and insert:  
10 "SECTION 44. IC 6-2.1-8-6 IS AMENDED TO READ AS  
11 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 6. (a) A county  
12 recorder may not record or accept for recording any deed or other  
13 instrument of conveyance which transfers any interest in real estate **of**  
14 **a public utility company**, unless:

15 (1) the county treasurer has stamped the deed or other instrument,  
16 as required by section 5 of this chapter; or

17 (2) an affidavit, signed by the seller or grantor, which certifies  
18 that no gross income tax is due on the transfer of the interest in  
19 the real estate, accompanies the deed or other instrument of  
20 conveyance.

21 (b) When a county recorder accepts an affidavit described in  
22 subsection (a), he shall tax and collect the recording fee prescribed in  
23 IC 36-2-7-10.

24 (c) The failure of any deed or other instrument of conveyance to be:

25 (1) accompanied by an affidavit described in subsection (a); or

26 (2) stamped in compliance with section 5 of this chapter;

27 does not affect the validity of the notice given by the recording of such  
28 deed or instrument.

29 SECTION 45. IC 6-2.1-8-7 IS AMENDED TO READ AS  
30 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 7. (a) **This**  
31 **section applies only to a proceeding involving a public utility**  
32 **company.**

33 (b) No court may allow or approve any final report or account of a  
34 receiver, trustee in dissolution, trustee in bankruptcy, commissioner  
35 appointed for the sale of real estate, or any other officer acting under  
36 the authority and supervision of a court, unless the account or final  
37 report shows, and the court finds, that all gross income tax due has  
38 been paid, and that all gross income tax which may become due is  
39 secured by bond, deposit, or otherwise.

40 ~~(b)~~ (c) A fiduciary described in subsection **(b) in a proceeding**  
41 **described in subsection** (a) shall provide proof to a court that all gross  
42 income tax has been paid, and that any required security has been  
43 provided. The fiduciary shall request the department to issue a  
44 certificate of clearance certifying that all gross income tax which is due  
45 and payable has been paid and that any required security has been  
46 provided. The certificate shall be issued by the department within thirty  
47 (30) days after request. When issued, the certificate is conclusive proof

that no gross income tax is due and that any required security has been provided.

~~(c)~~ (d) If the department fails to issue a certificate of clearance under subsection ~~(b)~~ (c) within thirty (30) days after request, a fiduciary may provide evidence to a court which demonstrates that no gross income tax is due and that any required security has been provided. Upon approval by the court, such evidence is conclusive proof of payment of the tax imposed by this article.

~~(d)~~ (e) Any gross income tax liability owed by a fiduciary is a preferred claim and has priority over all other claims except claims for judicial costs and costs of administration."

Page 59, line 2, delete "four".

Page 59, line 3, delete "hundred" and insert "**one thousand**".

Page 59, line 3, delete "(\$400)" and insert "**(\$1,000)**".

Page 59, line 5, after "4." insert "**Subject to the minimum tax imposed under section 3 of this chapter, the tax imposed under section 1 of this chapter upon a taxpayer having taxable adjusted gross income of less than twenty million dollars (\$20,000,000) is equal to one and five-tenths percent (1.5%) of the taxpayer's taxable adjusted gross income.**".

Page 59, line 7, after "one" insert "**and five-tenths**".

Page 59, line 7, delete "(1%)" and insert "**(1.5%)**".

Page 59, line 8, delete "." and insert "**, plus the result of:**

**(1) the amount that the taxpayer's taxable adjusted gross income exceeds twenty million dollars (\$20,000,000); multiplied by**

**(2) one percent (1%). "**

Page 59, line 8, delete "For all other"

Page 59, delete lines 9 through 24.

Page 62, between lines 26 and 27, begin a new paragraph and insert:  
"SECTION 47. IC 6-2.5-1-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS  
[EFFECTIVE JANUARY 1, 2003]: **Sec. 10. "Commercial printing" means a process or activity, or both, that is related to the production of printed materials for others, including the following:**

**(1) Receiving, processing, moving, storing, and transmitting, either physically or electronically, copy elements and images to be reproduced.**

**(2) Plate making or cylinder making.**

**(3) Applying ink by one (1) or more processes, such as printing by letter press, lithography, gravure, screen, or digital means.**

**(4) Casemaking and binding.**

**(5) Assembling, packaging, and distributing printed materials.**

**The term does not include the business of photocopying."**

Page 63, between lines 13 and 14, begin a new paragraph and insert:

"SECTION 49. IC 6-2.5-5-3 IS AMENDED TO READ AS



1 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. (a) For  
2 purposes of this section:

3 (1) the retreading of tires shall be treated as the processing of  
4 tangible personal property; and

5 (2) commercial printing ~~as described in IC 6-2.1-2-4~~ shall be  
6 treated as the production and manufacture of tangible personal  
7 property.

8 (b) Transactions involving manufacturing machinery, tools, and  
9 equipment are exempt from the state gross retail tax if the person  
10 acquiring that property acquires it for direct use in the direct  
11 production, manufacture, fabrication, assembly, extraction, mining,  
12 processing, refining, or finishing of other tangible personal property.

13 SECTION 50. IC 6-2.5-5-5.1 IS AMENDED TO READ AS  
14 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5.1. (a) As used  
15 in this section, "tangible personal property" includes electrical energy,  
16 natural or artificial gas, water, steam, and steam heat.

17 (b) Transactions involving tangible personal property are exempt  
18 from the state gross retail tax if the person acquiring the property  
19 acquires it for direct consumption as a material to be consumed in the  
20 direct production of other tangible personal property in the person's  
21 business of manufacturing, processing, refining, repairing, mining,  
22 agriculture, horticulture, floriculture, or arboriculture. This exemption  
23 includes transactions involving acquisitions of tangible personal  
24 property used in commercial printing. ~~as described in IC 6-2.1-2-4.~~

25 SECTION 51. IC 6-2.5-5-6 IS AMENDED TO READ AS  
26 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 6. Transactions  
27 involving tangible personal property are exempt from the state gross  
28 retail tax if the person acquiring the property acquires it for  
29 incorporation as a material part of other tangible personal property  
30 which the purchaser manufactures, assembles, refines, or processes for  
31 sale in his business. This exemption includes transactions involving  
32 acquisitions of tangible personal property used in commercial printing.  
33 ~~as described in IC 6-2.1-2-4.~~

34 SECTION 52. IC 6-2.5-5-21 IS AMENDED TO READ AS  
35 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 21. (a) **For**  
36 **purposes of this section, "private benefit or gain" does not include**  
37 **reasonable compensation paid to an employee for work or services**  
38 **actually performed.**

39 (b) Sales of food are exempt from the state gross retail tax, if:

40 (1) the seller ~~is an organization described in IC 6-2.1-3-19;~~  
41 ~~IC 6-2.1-3-20; IC 6-2.1-3-21; or IC 6-2.1-3-22;~~ **meets the filing**  
42 **requirements under subsection (d) and is any of the following:**

43 (A) **A fraternity, a sorority, or a student cooperative**  
44 **housing organization that is connected with and under the**  
45 **supervision of a college, a university, or any other**  
46 **educational institution if no part of its income is used for**  
47 **the private benefit or gain of any member, trustee,**

shareholder, employee, or associate.

(B) Any:

- (i) institution;
- (ii) trust;
- (iii) group;
- (iv) united fund;
- (v) affiliated agency of a united fund;
- (vi) nonprofit corporation;
- (vii) cemetery association; or
- (viii) organization;

that is organized and operated exclusively for religious, charitable, scientific, literary, educational, or civic purposes if no part of its income is used for the private benefit or gain of any member, trustee, shareholder, employee, or associate.

(C) A group, an organization, or a nonprofit corporation that is organized and operated for fraternal or social purposes, or as a business league or association, and not for the private benefit or gain of any member, trustee, shareholder, employee, or associate.

(D) A:

- (i) hospital licensed by the state department of health;
- (ii) shared hospital services organization exempt from federal income taxation by Section 501(c)(3) or 501(e) of the Internal Revenue Code;
- (iii) labor union;
- (iv) church;
- (v) monastery;
- (vi) convent;
- (vii) school that is a part of the Indiana public school system;
- (viii) parochial school regularly maintained by a recognized religious denomination; or
- (ix) trust created for the purpose of paying pensions to members of a particular profession or business who created the trust for the purpose of paying pensions to each other;

if the taxpayer is not organized or operated for private profit or gain;

(2) the purchaser is a person confined to his home because of age, sickness, or infirmity;

(3) the seller delivers the food to the purchaser; and

(4) the delivery is prescribed as medically necessary by a physician licensed to practice medicine in Indiana.

~~(b)~~ (c) Sales of food are exempt from the state gross retail tax, if the seller is an organization described in ~~IC 6-2.1-3-19~~, ~~IC 6-2.1-3-20~~, ~~IC 6-2.1-3-21~~, or ~~IC 6-2.1-3-22~~ subsection (b)(1), and the purchaser is a patient in a hospital operated by the seller.

(d) To obtain the exemption provided by this section, a taxpayer must file an application for exemption with the department:

- (1) before January 1, 2003, under IC 6-2.1-3-19 (repealed); or
- (2) not later than one hundred twenty (120) days after the taxpayer's formation.

In addition, the taxpayer must file an annual report with the department on or before the fifteenth day of the fifth month following the close of each taxable year. If a taxpayer fails to file the report, the department shall notify the taxpayer of the failure. If within sixty (60) days after receiving such notice the taxpayer does not provide the report, the taxpayer's exemption shall be canceled. However, the department may reinstate the taxpayer's exemption if the taxpayer shows by petition that the failure was due to excusable neglect.

SECTION 53. IC 6-2.5-5-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 22. (a) Sales of school meals are exempt from the state gross retail tax, if:

- (1) the seller is a school containing students in any grade, one (1) through twelve (12);
- (2) the purchaser is one (1) of those students or a school employee; and
- (3) the school furnishes the food on its premises.

(b) Sales of food by not-for-profit colleges or universities are exempt from the state gross retail tax, if the purchaser is a student at the college or university.

(c) Sales of meals after December 31, 1976, by a fraternity, sorority, or student cooperative housing organization described in ~~IC 6-2.1-3-19~~ **section 21(b)(1)(A) of this chapter** are exempt from the state gross retail tax, if the purchaser:

- (1) is a member of the fraternity, sorority, or student cooperative housing organization; and
- (2) is enrolled in the college, university, or educational institution with which the fraternity, sorority, or student cooperative housing organization is connected and by which it is supervised.

SECTION 54. IC 6-2.5-5-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 24. (a) Transactions are exempt from the state gross retail tax to the extent that the gross retail income from those transactions is derived from gross receipts that are: ~~exempt from the gross income tax under IC 6-2.1-3-2;~~ ~~IC 6-2.1-3-3.5; IC 6-2.1-3-5; IC 6-2.1-3-6; IC 6-2.1-3-7; or IC 6-2.1-3-13.~~

- (1) derived from sales to the United States government, to the extent the state is prohibited by the Constitution of the United States from taxing that income;
- (2) derived from commercial printing that results in printed materials, excluding the business of photocopying, that are shipped, mailed, or delivered outside Indiana;

(3) United States or Indiana taxes received or collected as a collecting agent explicitly designated as a collecting agent for a tax by statute for the state or the United States;

(4) collections by a retail merchant of a retailer's excise tax imposed by the United States exempt tax if:

(A) the tax is imposed solely on the sale at retail of tangible personal property;

(B) the tax is remitted to the appropriate taxing authority; and

(C) the retail merchant collects the tax separately as an addition to the price of the property sold;

(5) collections of a manufacturer's excise tax imposed by the United States on motor vehicles, motor vehicle bodies and chassis, parts and accessories for motor vehicles, tires, tubes for tires, or tread rubber and laminated tires, if the excise tax is separately stated by the collecting taxpayer as either an addition to or an inclusion in the price of the property sold; or

(6) amounts represented by an encumbrance of any kind on tangible personal property received by a retail merchant in reciprocal exchange for tangible personal property of like kind.

(b) Transactions are exempt from the state gross retail tax to the extent that the gross retail income from those transactions is derived from gross receipts that are: ~~exempt from the gross income tax under IC 6-2.1-3-1 or IC 6-2.1-3-3.~~

(1) interest or other earnings paid on bonds or other securities issued by the United States, to the extent the Constitution of the United States prohibits the taxation of that income; or

(2) derived from business conducted in commerce between the state and either another state or a foreign country, to the extent the state is prohibited from taxing that gross income by the Constitution of the United States.

SECTION 55. IC 6-2.5-5-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 25. (a) Transactions involving tangible personal property or service are exempt from the state gross retail tax, if the person acquiring the property or service:

(1) is an organization ~~which that~~ is ~~granted a gross income tax exemption under IC 6-2.1-3-20, IC 6-2.1-3-21, or IC 6-2.1-3-22;~~ described in section 21(b)(1) of this chapter;

(2) primarily uses the property or service to carry on or to raise money to carry on ~~the its~~ not-for-profit purpose; ~~for which it receives the gross income tax exemption;~~ and

(3) is not an organization operated predominantly for social purposes.

(b) Transactions occurring after December 31, 1976, and involving tangible personal property or service are exempt from the state gross

1 retail tax, if the person acquiring the property or service:

2 (1) is a fraternity, sorority, or student cooperative housing  
3 organization ~~which that~~ is ~~granted a gross income tax exemption~~  
4 ~~under IC 6-2.1-3-19; described in section 21(b)(1)(A) of this~~  
5 ~~chapter; and~~

6 (2) uses the property or service to carry on its ordinary and usual  
7 activities and operations as a fraternity, sorority, or student  
8 cooperative housing organization.

9 SECTION 56. IC 6-2.5-5-26 IS AMENDED TO READ AS  
10 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 26. (a) Sales of  
11 tangible personal property are exempt from the state gross retail tax, if:

12 (1) the seller is an organization ~~which that~~ is ~~granted a gross~~  
13 ~~income tax exemption under IC 6-2.1-3-19; IC 6-2.1-3-20;~~  
14 ~~IC 6-2.1-3-21; or IC 6-2.1-3-22; described in section 21(b)(1) of~~  
15 ~~this chapter;~~

16 (2) the organization makes the sale to make money to carry on ~~the~~  
17 ~~a~~ not-for-profit purpose; ~~for which it receives its gross income tax~~  
18 ~~exemption; and~~

19 (3) the organization does not make those sales during more than  
20 thirty (30) days in a calendar year.

21 (b) Sales of tangible personal property are exempt from the state  
22 gross retail tax, if:

23 (1) the seller is an organization ~~which is granted a gross income~~  
24 ~~tax exemption under IC 6-2.1-3-19; IC 6-2.1-3-20; IC 6-2.1-3-21;~~  
25 ~~or IC 6-2.1-3-22; described in section 21(b)(1) of this chapter;~~

26 (2) the seller is not operated predominantly for social purposes;

27 (3) the property sold is designed and intended primarily either for  
28 the organization's educational, cultural, or religious purposes, or  
29 for improvement of the work skills or professional qualifications  
30 of the organization's members; and

31 (4) the property sold is not designed or intended primarily for use  
32 in carrying on a private or proprietary business.

33 (c) The exemption provided by this section does not apply to an  
34 accredited college or university's sales of books, stationery,  
35 haberdashery, supplies, or other property.

36 SECTION 57. IC 6-2.5-6-1, AS AMENDED BY P.L.185-2001,  
37 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
38 JANUARY 1, 2003]: Sec. 1. (a) Each person liable for collecting the  
39 state gross retail or use tax shall file a return for each calendar month  
40 and pay the state gross retail and use taxes that the person collects  
41 during that month. A person shall file the person's return for a  
42 particular month with the department and make the person's tax  
43 payment for that month to the department not more than thirty (30)  
44 days after the end of that month, if that person's average monthly  
45 liability for collections of state gross retail and use taxes under this  
46 section as determined by the department for the preceding calendar  
47 year did not exceed one thousand dollars (\$1,000). If a person's average

1 monthly liability for collections of state gross retail and use taxes under  
 2 this section as determined by the department for the preceding calendar  
 3 year exceeded one thousand dollars (\$1,000), that person shall file the  
 4 person's return for a particular month and make the person's tax  
 5 payment for that month to the department not more than twenty (20)  
 6 days after the end of that month.

7 (b) If a person files a combined sales and withholding tax report and  
 8 either this section or IC 6-3-4-8.1 requires sales or withholding tax  
 9 reports to be filed and remittances to be made within twenty (20) days  
 10 after the end of each month, then the person shall file the combined  
 11 report and remit the sales and withholding taxes due within twenty (20)  
 12 days after the end of each month.

13 (c) Instead of the reporting periods required under subsection (a),  
 14 the department may permit a retail merchant to report and pay the  
 15 merchant's state gross retail and use taxes for a period covering:

16 (1) a calendar year, if the retail merchant's average monthly state  
 17 gross retail and use tax liability in the previous calendar year does  
 18 not exceed ten dollars (\$10); or

19 (2) a calendar half year, if the retail merchant's average monthly  
 20 state gross retail and use tax liability in the previous calendar year  
 21 does not exceed twenty-five dollars (\$25).

22 A retail merchant using a reporting period allowed under this  
 23 subsection must file the merchant's return and pay the merchant's tax  
 24 for a reporting period not later than the last day of the month  
 25 immediately following the close of that reporting period.

26 (d) If a retail merchant reports the merchant's **adjusted** gross  
 27 income tax, or the tax the merchant pays in place of the **adjusted** gross  
 28 income tax, over a fiscal year or fiscal quarter not corresponding to the  
 29 calendar year or calendar quarter, the merchant may, without prior  
 30 departmental approval, report and pay the merchant's state gross retail  
 31 and use taxes over the merchant's fiscal period that corresponds to the  
 32 calendar period the merchant is permitted to use under subsection (c).  
 33 However, the department may, at any time, require the retail merchant  
 34 to stop using the fiscal reporting period.

35 (e) If a retail merchant files a combined sales and withholding tax  
 36 report, the reporting period for the combined report is the shortest  
 37 period required under:

38 (1) this section;

39 (2) IC 6-3-4-8; or

40 (3) IC 6-3-4-8.1.

41 (f) If the department determines that a person's:

42 (1) estimated monthly gross retail and use tax liability for the  
 43 current year; or

44 (2) average monthly gross retail and use tax liability for the  
 45 preceding year;

46 exceeds ten thousand dollars (\$10,000) the person shall pay the  
 47 monthly gross retail and use taxes due by electronic fund transfer (as

defined in IC 4-8.1-2-7) or by delivering in person or by overnight courier a payment by cashier's check, certified check, or money order to the department. The transfer or payment shall be made on or before the date the tax is due.

SECTION 58. IC 6-2.5-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 2. A retail merchant may, without prior departmental approval, report and pay his state gross retail and use taxes on an accrual basis, if he uses the accrual basis to pay and report the **adjusted** gross income tax or the tax imposed on him in place of the **adjusted** gross income tax. The department may, at any time, require the retail merchant to stop using the accrual basis."

Page 66, between lines 27 and 28, begin a new paragraph and insert: "SECTION 65. IC 6-2.5-10-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 2. The provisions of the **adjusted** gross income tax law (~~IC 6-2-1~~), (**IC 6-3**), which do not conflict with the provisions of this article and which deal with any of the following subjects, apply for the purposes of imposing, collecting, and administering the state gross retail and use taxes under this article:

- (1) Filing of returns.
- (2) Auditing of returns.
- (3) Investigation of tax liability.
- (4) Determination of tax liability.
- (5) Notification of tax liability.
- (6) Assessment of tax liability.
- (7) Collection of tax liability.
- (8) Examination of taxpayer's books and records.
- (9) Legal proceedings.
- (10) Court actions.
- (11) Remedies.
- (12) Privileges.
- (13) Taxpayer and departmental relief.
- (14) Statutes of limitations.
- (15) Hearings.
- (16) Refunds.
- (17) Remittances.
- (18) Imposition of penalties and interest.
- (19) Maintenance of departmental records.
- (20) Confidentiality of taxpayer's returns.
- (21) Duties of the secretary of state and the treasurer of state.
- (22) Administration."

Page 66, between lines 37 and 38, begin a new paragraph and insert: "SECTION 67. IC 6-3-2-2.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 2.3. Notwithstanding any other provision of this article, with respect to a person, corporation, or partnership that has contracted with a commercial printer for printing:

(1) the ownership or leasing by that entity of tangible or intangible property located at the Indiana premises of the commercial printer;

(2) the sale by that entity of property of any kind produced at and shipped or distributed from the Indiana premises of the commercial printer;

(3) the activities of any kind performed by or on behalf of that entity at the Indiana premises of the commercial printer; and

(4) the activities performed by the commercial printer in Indiana for or on behalf of that entity;

shall not cause that entity to have adjusted gross income derived from sources within Indiana for purposes of the taxes imposed by this chapter, ~~and IC 6-3-8~~, unless that entity engages in other activities in Indiana away from the premises of the commercial printer that exceed the protection of 15 U.S.C. 381."

Page 68, line 8, after "year" insert ".".

Page 68, line 8, strike "less the credit".

Page 68, strike lines 9 through 10.

Page 68, line 11, strike "with the reporting of gross income tax as provided for in IC 6-2.1-5." and insert "**A taxpayer who uses a taxable year that ends on December 31 shall file the taxpayer's estimated adjusted gross income tax returns and pay the tax to the department on or before April 20, June 20, September 20, and December 20 of the taxable year. If a taxpayer uses a taxable year that does not end on December 31, the due dates for filing estimated adjusted gross income tax returns and paying the tax are on or before the twentieth day of the fourth, sixth, ninth, and twelfth months of the taxpayer's taxable year.**".

Page 88, line 9, delete "one and".

Page 88, line 10, delete "three-tenths" and insert "**six-tenths**".

Page 88, line 10, delete "(1.3%)" and insert "**(0.6%)**".

Page 88, line 28, delete "one and".

Page 88, line 29, delete "three-tenths" and insert "**six-tenths**".

Page 88, line 29, delete "(1.3%)" and insert "**(0.6%)**".

Page 89, line 5, delete "one and".

Page 89, line 6, delete "three-tenths" and insert "**six-tenths**".

Page 89, line 6, delete "(1.3%)" and insert "**(0.6%)**".

Page 90, between lines 19 and 20, begin a new paragraph and insert:  
"SECTION 110. IC 6-3.5-2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4. The following persons are exempt from the employment tax:

(1) the United States;

(2) an agency of the United States;

(3) this state;

(4) an agency of this state;

(5) a political subdivision of this state; and

(6) a taxpayer described in ~~IC 6-2.1-3-19~~, ~~IC 6-2.1-3-20~~;



~~IC 6-2.1-3-21, and IC 6-2.1-3-22.~~ **IC 6-2.5-5-21(b)(1).**

However, employees of such persons are not exempt from the employment tax."

Page 97, line 10, delete ":".

Page 97, line 11, strike "(1) the gross income tax imposed by IC 6-2.1;".

Page 97, line 11, delete "and".

Page 97, line 12, strike "(2)".

Page 97, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 116. IC 6-6-1.1-1204 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 1204. (a) No city, town, county, township, or other subdivision or municipal corporation of the state may levy or collect:

(1) an excise tax on or measured by the sale, receipt, distribution, or use of gasoline; or

(2) an excise, privilege, or occupational tax on the business of manufacturing, selling, or distributing gasoline.

(b) The provisions of subsection (a) may not be construed as to relieve a distributor or dealer from payment of ~~the a state gross income~~ tax or state store license."

Page 102, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 124. IC 8-1-2.8-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 24. If the InTRAC meets the requirements of sections 18 and 21 of this chapter, the InTRAC:

(1) for purposes of all taxes imposed by the state or any county or municipality in Indiana is an organization that is organized and operated exclusively for charitable purposes; and

(2) qualifies for all exemptions applicable to those organizations, including but not limited to those exemptions set forth in ~~IC 6-2.1-3-20~~ **IC 6-2.5-5-21(b)(1)(B)** and IC 6-1.1-10-16.

SECTION 125. IC 8-22-2-18 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 18. (a) Subject to the approval of the fiscal body of the eligible entity, the board may contract with any person for construction, extensions, additions, or improvements of an aircraft hangar or revenue producing building or facility located or to be located on the airport of the entity, the cost of which is to be paid in the manner authorized by this section.

(b) A contract made under this section must be authorized by ordinance providing that the principal and interest of bonds issued for the payment of the cost of the construction, extensions, additions, or improvements shall be paid exclusively from the revenues and receipts of the aircraft hangars or revenue producing buildings or facilities, unless otherwise provided by this section.

(c) The fiscal body must, by ordinance, set aside the income and revenues of the buildings or facilities into a separate fund, to be used in the maintenance and operation and in payment of the cost of the

1 construction, extensions, additions, or improvements. The ordinance  
2 must fix:

3 (1) the proportion of the revenues of the buildings or facilities that  
4 is necessary for the reasonable and proper operation and  
5 maintenance of them; and

6 (2) the proportion of the revenues that are to be set aside and  
7 applied to the payment of the principal and interest of bonds.

8 The ordinance may provide for the proportion of the revenues that are  
9 to be set aside as an adequate depreciation account.

10 (d) Whenever the board determines that there exists a surplus in  
11 funds derived from the net operating receipts of a municipal airport,  
12 then the board may recommend to the fiscal body that a designated  
13 amount of the surplus fund be appropriated by special or general  
14 appropriation to the "aviation revenue bond account" for the relief of  
15 principal or interest of bonds issued under this section. However, this  
16 surplus in funds may not include monies raised by taxation.

17 (e) The fiscal body may issue and sell bonds to provide for the  
18 payment of costs of the following:

19 (1) Airport capital improvements, including the acquisition of real  
20 property.

21 (2) Construction or improvement of revenue producing buildings  
22 or facilities owned and operated by the eligible entity.

23 (3) Payment of any loan contract.

24 The fiscal body may issue and sell bonds bearing interest, payable  
25 annually or semiannually, executed in the manner and payable at the  
26 times not exceeding forty (40) years from the date of issue and at the  
27 places as the fiscal body of the entity determines, which bonds are  
28 payable only out of the "aviation revenue bond account" fund. The  
29 bonds have in the hands of bona fide holders all the qualities of  
30 negotiable instruments under law.

31 (f) In case any of the officers whose signatures or countersignatures  
32 appear on the bonds or the coupons ceases to be the officer before the  
33 delivery of the bonds to the purchaser, the signature or  
34 countersignatures are nevertheless valid and sufficient for all purposes,  
35 the same as if he had remained in office until the delivery of the bonds.  
36 The bonds and their interest issued against an "aviation revenue bond  
37 account" fund and the fixed proportion or amount of the revenues  
38 pledged to the fund does not constitute an indebtedness of the entity  
39 under the Constitution of Indiana.

40 (g) Each bond must state plainly upon its face that it is payable only  
41 from the special fund, naming the fund and the ordinance creating it,  
42 and that it does not constitute an indebtedness of the entity under the  
43 Constitution of Indiana. The bonds may be issued either as registered  
44 bonds or as bonds payable to bearer. Coupons and bearer bonds may be  
45 registered as to principal in the holder's name on the books of the  
46 entity, the registration being noted on the bond by the clerk or other  
47 designated officer, after which no transfer is valid unless made on the

books of the entity by the registered holder and similarly noted on the bonds. Bonds so registered as to principal may be discharged from the registration by being transferred to bearer, after which it is transferable by delivery but may be registered again as to principal. The registration of the bonds as to the principal does not restrain the negotiability of the coupon by delivery, but the coupons may be surrendered and the interest made payable only to the registered holder of the bonds. If the coupons are surrendered, the surrender and cancellation of them shall be noted on the bond and then interest on the bond is payable to the registered holder or order in cash or at his option by check or draft payable at the place or one (1) of the places where the coupons are payable.

(h) The bonds shall be sold in a manner and upon terms that the fiscal body considers in the best interest of the entity.

(i) All bonds issued by an eligible entity under this section are exempt from taxation for all purposes, except that the interest is subject to **adjusted** gross income tax.

(j) In fixing the proportion of the revenues of the building or facility required for operation and maintenance, the fiscal body shall consider the cost of operation and maintenance of the building or facility and may not set aside into the special fund a greater amount or proportion of the revenues and proceeds than are required for the operation and maintenance. The sums set aside for operation and maintenance shall be used exclusively for that purpose, until the accumulation of a surplus results.

(k) The proportion set aside to the depreciation fund, if a depreciation account or fund is provided for under this section, shall be expended in remedying depreciation in the building or facility or in new construction, extensions, additions, or improvements to the property. Accumulations of the depreciation fund may be invested, and the income from the investment goes into the depreciation fund. The fund, and the proceeds of it, may not be used for any other purpose.

(l) The fixed proportion that is set aside for the payment of the principal and interest of the bonds shall, from month to month, as it is accrued and received, be set apart and paid into a special account in the treasury of the eligible entity, to be identified "aviation revenue bond account," the title of the account to be specified by ordinance. In fixing the amount or proportion to be set aside for the payment of the principal and interest of the bonds, the fiscal body may provide that the amount to be set aside and paid into the aviation revenue bond account for any year or years may not exceed a fixed sum, which sum must be at least sufficient to provide for the payment of the interest and principal of the bonds maturing and becoming payable in each year, together with a surplus or margin of ten percent (10%).

(m) If a surplus is accumulated in the operating and maintenance fund that is equal to the cost of maintaining and operating the building or facility for the twelve (12) following calendar months, the excess

over the surplus may be transferred by the fiscal body to either the depreciation account to be used for improvements, extensions, or additions to property or to the aviation revenue bond account fund, as the fiscal body designates.

(n) If a surplus is created in the aviation revenue bond account in excess of the interest and principal of bonds, plus ten percent (10%), becoming payable during the calendar, operating, or fiscal year then current, together with the amount of interest or principal of bonds becoming due and payable during the next calendar, operating, or fiscal year, the fiscal body may transfer the excess over the surplus to either the operating and maintenance account, or to the depreciation account, as the fiscal body designates.

(o) All money received from bonds issued under this section shall be applied solely for the purposes listed in subsection (e). There is created a statutory mortgage lien upon buildings or facilities for which bonds are issued in favor of the holders of the bonds and of the coupons of the bonds. The buildings or facilities so constructed, extended, or improved remain subject to the statutory mortgage lien until payment in full of the principal and interest of the bonds.

(p) A holder of the bonds or of the attached coupons may enforce the statutory mortgage lien conferred by this section, and may enforce performance of all duties required by this section of the eligible entity issuing the bond or of any officer of the entity, including:

(1) the making and collecting of reasonable and sufficient rates or rentals for the use or lease of the buildings or facilities, or part of them established for the rent, lease, or use of the buildings or facilities;

(2) the segregation of the revenues from the buildings or facilities; and

(3) the application of the respective funds created by this section.

(q) If there is a default in the payment of the principal or interest of any of the bonds, a court having jurisdiction of the action may appoint an administrator or receiver to administer, manage, or operate the buildings or facilities on behalf of the entity, and the bondholders, with power to:

(1) charge and collect rates or rentals for the use or lease of the buildings or facilities sufficient to provide for the payment of the operating expenses;

(2) pay any bonds or obligations outstanding against the buildings or facilities; and

(3) apply the income and revenues thereof in accord with this section and the ordinance."

Page 102, line 25, delete "thirty-nine" and insert "**thirty**".

Page 102, line 25, delete "(39%)" and insert "**(30%)**".

Page 103, between lines 38 and 39, begin a new paragraph and insert:

"SECTION 128. IC 8-23-17-32 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 32. (a) All  
 2 amounts paid to displaced persons under this chapter are exempt from  
 3 taxation under ~~IC 6-2-1~~ and IC 6-3.

4 (b) A payment received under this chapter is not considered as  
 5 income for the purpose of determining the eligibility or extent of  
 6 eligibility of any person for public assistance under the following:

7 AFDC assistance.  
 8 AFDC burials.  
 9 AFDC IMPACT/J.O.B.S.  
 10 AFDC-UP assistance.  
 11 ARCH.  
 12 Blind relief.  
 13 Child care.  
 14 Child welfare adoption assistance.  
 15 Child welfare adoption opportunities.  
 16 Child welfare assistance.  
 17 Child welfare child care improvement.  
 18 Child welfare child abuse.  
 19 Child welfare child abuse and neglect prevention.  
 20 Child welfare children's victim advocacy program.  
 21 Child welfare foster care assistance.  
 22 Child welfare independent living.  
 23 Child welfare medical assistance to wards.  
 24 Child welfare program review action group (PRAG).  
 25 Child welfare special needs adoption.  
 26 Food Stamp administration.  
 27 Health care for indigent (HIC).  
 28 ICES.  
 29 IMPACT (food stamps).  
 30 Title IV-D (ICETS).  
 31 Title IV-D child support administration.  
 32 Title IV-D child support enforcement (parent locator).  
 33 Medicaid assistance.  
 34 Medical services for inmates and patients (590).  
 35 Room and board assistance (RBA).  
 36 Refugee social service.  
 37 Refugee resettlement.  
 38 Repatriated citizens.  
 39 SSI burials and disabled examinations.  
 40 Title XIX certification.  
 41 Any other Indiana law administered by the division of family and  
 42 children."

43 Page 104, between lines 24 and 25, begin a new paragraph and  
 44 insert:

45 "SECTION 130. IC 12-7-2-70 IS AMENDED TO READ AS  
 46 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 70. "Domestic  
 47 violence prevention and treatment center", for purposes of IC 12-18-3

and IC 12-18-4, means an organized entity:

(1) established by:

(A) a city, town, county, or township; or

(B) an entity exempted from the ~~Indiana gross income retail~~ tax under ~~IC 6-2.1-3-20~~; **IC 6-2.5-5-21(b)(1)(B)**; and

(2) created to provide services to prevent and treat domestic violence between spouses or former spouses.".

Page 107, between lines 32 and 33, begin a new paragraph and insert:

"SECTION 136. IC 12-18-4-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 7. A:

(1) city, town, county, or township; or

(2) an entity that is exempted from the ~~Indiana gross income~~ **retail** tax under ~~IC 6-2.1-3-20~~; **IC 6-2.5-5-21(b)(1)(B)**;

that desires to receive a grant under this chapter or enter into a contract with the council must apply in the manner prescribed by the rules of the division.

SECTION 137. IC 16-42-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4. (a) An organization that is exempt from the ~~Indiana state gross income retail~~ tax under ~~IC 6-2.1-3-20~~ through ~~IC 6-2.1-3-22~~ **IC 6-2.5-5-21(b)(1)(B)**, **IC 6-2.5-5-21(b)(1)(C)**, or **IC 6-2.5-5-21(b)(1)(D)** and that offers food for sale to the final consumer at an event held for the benefit of the organization is exempt from complying with the requirements of this chapter that may be imposed upon the sale of food at that event if the following conditions are met:

(1) Members of the organization prepare the food that will be sold.

(2) Events conducted by the organization under this section take place for not more than thirty (30) days in a calendar year.

(3) The name of each member who has prepared a food item is attached to the container in which the food item has been placed.

(b) This section does not prohibit an exempted organization from waiving the exemption and applying for a license under this chapter.".

Page 118, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 149. IC 21-5-11-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 14. All property owned by a lessor corporation so contracting with such school corporation or corporations under the provisions of this chapter, and all stock and other securities including the interest or dividends thereon issued by a lessor corporation, shall be exempt from all state, county, and other taxes, ~~including the gross income tax~~, except, however, the financial institutions tax (**IC 6-5.5**) and inheritance taxes ~~The rental paid to a lessor corporation under the terms of such a contract of lease shall be exempt from the gross income tax. (IC 6-4.1).~~

SECTION 150. IC 25-37-1-4 IS AMENDED TO READ AS

1       FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4. Any transient  
 2       merchant desiring to transact business in any county in this state shall  
 3       file application for a license for that purpose with the auditor of the  
 4       county in this state in which such transient merchant desires to do  
 5       business. The application shall state the following facts:

6       (a) The name, residence and post-office address of the person, firm,  
 7       limited liability company, or corporation making the application, and  
 8       if a firm, limited liability company, or corporation, the name and  
 9       address of the members of the firm or limited liability company, or  
 10      officers of the corporation, as the case may be.

11      (b) If the applicant is a corporation or limited liability company then  
 12      there shall be stated on the application form the date of incorporation  
 13      or organization, the state of incorporation or organization, and if the  
 14      applicant is a corporation or limited liability company formed in a state  
 15      other than the state of Indiana, the date on which such corporation or  
 16      limited liability company qualified to transact business as a foreign  
 17      corporation or foreign limited liability company in the state of Indiana.

18      (c) A statement showing the kind of business proposed to be  
 19      conducted, the length of time for which the applicant desires to transact  
 20      business, and if for the purpose of transacting such business any  
 21      permanent or mobile building, structure or real estate is to be used for  
 22      the exhibition by means of samples, catalogues, photographs and price  
 23      lists or sale of goods, wares or merchandise, the location of such  
 24      proposed place of business.

25      (d) A detailed inventory and description of such goods, wares, and  
 26      merchandise to be offered for sale or sold, the manner in which the  
 27      same is to be advertised for sale and the representations to be made in  
 28      connection therewith, the names of the persons from whom the goods,  
 29      wares, and merchandise so to be advertised or represented were  
 30      obtained, the date of receipt of such goods, wares, and merchandise by  
 31      the applicant for the license, the place from which the same were last  
 32      taken, and any and all details necessary to locate and identify all goods,  
 33      wares and merchandise to be sold.

34      (e) Attached to the application shall be a receipt showing that  
 35      personal property taxes on the goods, wares and merchandise to be  
 36      offered for sale or sold have been paid.

37      (f) Attached to the application shall be a copy of a notice, which ten  
 38      (10) days before said application has been filed, shall have been mailed  
 39      by registered mail by the applicant to the Indiana department of state  
 40      revenue. ~~of the state of Indiana or such other department as may be~~  
 41      ~~charged with the duty of collecting gross income taxes or other taxes~~  
 42      ~~of a comparable nature or which may be in lieu of such gross income~~  
 43      ~~taxes.~~ The said notice shall state the precise period of time and location  
 44      from which said applicant intends to transact business, the approximate  
 45      value of the goods, wares, and merchandise to be offered for sale or  
 46      sold, and such other information as the Indiana department of state  
 47      revenue of the state of Indiana or its successor may request or by

1 regulation require.

2 (g) Said application shall be verified."

3 Page 118, line 27, strike "corporate gross income".

4 Page 118, line 28, before "adjusted" strike "taxes,".

5 Page 119, line 9, strike "gross income taxes,".

6 Page 123, line 33, strike "the gross income tax,".

7 Page 123, line 39, strike "gross income taxes,".

8 Page 125, line 2, strike "gross income taxes,".

9 Page 125, between lines 14 and 15, begin a new paragraph and  
10 insert:

11 "SECTION 155. IC 29-3-3-3 IS AMENDED TO READ AS  
12 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. Except as  
13 otherwise determined in a dissolution of marriage proceeding, a  
14 custody proceeding, or in some other proceeding authorized by law,  
15 including a proceeding under section 6 of this chapter or another  
16 proceeding under this article, and unless a minor is married, the parents  
17 of the minor jointly (or the survivor if one (1) parent is deceased), if not  
18 an incapacitated person, have, without the appointment of a guardian,  
19 giving of bond, or order or confirmation of court, the right to custody  
20 of the person of the minor and the power to execute the following on  
21 behalf of the minor:

22 (1) Consent to the application of subsection (c) of Section 2032A  
23 of the Internal Revenue Code, which imposes personal liability  
24 for payment of the tax under that Section.

25 (2) Consent to the application of Section 6324A of the Internal  
26 Revenue Code, which attaches a lien to property to secure  
27 payment of taxes deferred under Section 6166 of the Internal  
28 Revenue Code.

29 (3) Any other consents, waivers, or powers of attorney provided  
30 for under the Internal Revenue Code.

31 (4) Waivers of notice permissible with reference to proceedings  
32 under IC 29-1.

33 (5) Consents, waivers of notice, or powers of attorney under any  
34 statute, including the Indiana inheritance tax law (IC 6-4.1) ~~the~~  
35 ~~Indiana gross income tax law (IC 6-2.1); and the Indiana adjusted~~  
36 ~~gross income tax law (IC 6-3).~~

37 (6) Consent to unsupervised administration as provided in  
38 IC 29-1-7.5.

39 (7) Federal and state income tax returns.

40 (8) Consent to medical or other professional care, treatment, or  
41 advice for the minor's health and welfare.

42 SECTION 156. IC 34-6-2-20 IS AMENDED TO READ AS  
43 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 20. "Charitable  
44 entity", for purposes of IC 34-30-5, means any entity exempted from  
45 ~~the Indiana state gross income retail tax under IC 6-2.1-3-20.~~  
46 **IC 6-2.5-5-21(b)(1)(B).**"

47 Page 126, line 40, delete "thirty-nine" and insert "**thirty**".



- 1 Page 126, line 40, delete "(39%)" and insert "**(30%)**".
- 2 Page 131, line 40, delete "thirty-nine" and insert "**thirty**".
- 3 Page 131, line 40, delete "(39%)" and insert "**(30%)**".
- 4 Page 135, line 5, delete "thirty-nine" and insert "**thirty**".
- 5 Page 135, line 5, delete "(39%)" and insert "**(30%)**".
- 6 Page 143, line 8, delete "thirty-nine percent (39%)" and insert
- 7 "**thirty percent (30%)**".
- 8 Page 146, line 23, delete "thirty-nine" and insert "**thirty**".
- 9 Page 146, line 23, delete "(39%)" and insert "**(30%)**".
- 10 Page 149, between lines 15 and 16, begin a new paragraph and
- 11 insert:
- 12 "SECTION 163. IC 36-9-31-16 IS AMENDED TO READ AS
- 13 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 16. Any security
- 14 issued in connection with a financing under this chapter the interest on
- 15 which is excludable from **adjusted** gross income tax is exempt from
- 16 the registration requirements of IC 23-2-1, or any other securities
- 17 registration law."
- 18 Page 157, between lines 11 and 12, begin a new paragraph and
- 19 insert:
- 20 "SECTION 185. [EFFECTIVE JANUARY 1, 2003] (a) **This**
- 21 **SECTION applies to a taxpayer that:**
- 22 (1) **was subject to the gross income tax under IC 6-2.1 before**
- 23 **January 1, 2003;**
- 24 (2) **has a taxable year that begins before January 1, 2003, and**
- 25 **ends after December 31, 2002; and**
- 26 (3) **is not subject to the gross income tax under IC 6-2.1 after**
- 27 **December 31, 2002.**
- 28 (b) **A taxpayer shall file the taxpayer's estimated gross income**
- 29 **tax return and pay the taxpayer's estimated gross income tax**
- 30 **liability to the department of state revenue as provided in**
- 31 **IC 6-2.1-5-1.1 for due dates that occur before January 1, 2004.**
- 32 (c) **Not later than April 15, 2003, a taxpayer shall file a final**
- 33 **gross income tax return with the department of state revenue on a**
- 34 **form and in the manner prescribed by the department of state**
- 35 **revenue. At the time of filing the final gross income tax return, a**
- 36 **taxpayer shall pay to the department of state revenue an amount**
- 37 **equal to the remainder of:**
- 38 (1) **the total gross income tax liability incurred by the**
- 39 **taxpayer for the part of the taxpayer's taxable year that**
- 40 **occurred in calendar year 2002; minus**
- 41 (2) **the sum of:**
- 42 (A) **the total amount of gross income taxes that were**
- 43 **previously paid by the taxpayer to the department of state**
- 44 **revenue for any quarter of that same part of the taxpayer's**
- 45 **taxable year; plus**
- 46 (B) **any gross income taxes that were withheld from the**
- 47 **taxpayer for that same part of the taxpayer's taxable year**

- 1                   **under IC 6-2.1-6."**  
2           Page 157, line 15, after "2003];" insert: "IC 6-2.1-1-0.5;  
3   IC 6-2.1-1-0.6; IC 6-2.1-1-3; IC 6-2.1-1-4; IC 6-2.1-1-4.5; IC 6-2.1-1-5;  
4   IC 6-2.1-1-6; IC 6-2.1-1-7; IC 6-2.1-1-8; IC 6-2.1-2-1; IC 6-2.1-2-1.2;  
5   IC 6-2.1-2-2.5; IC 6-2.1-2-4; IC 6-2.1-2-5; IC 6-2.1-2-6; IC 6-2.1-2-7;  
6   IC 6-2.1-3.5; IC 6-2.1-3-4; IC 6-2.1-3-8; IC 6-2.1-3-19; IC 6-2.1-3-20;  
7   IC 6-2.1-3-21; IC 6-2.1-3-22; IC 6-2.1-3-23; IC 6-2.1-3-27;  
8   IC 6-2.1-3-28; IC 6-2.1-3-30; IC 6-2.1-3-31; IC 6-2.1-3-34;  
9   IC 6-2.1-3-35; IC 6-2.1-4.5; IC 6-2.1-8-4;".  
10       Renumber all SECTIONS consecutively.  
      (Reference is to EHB 1004 as printed February 22, 2002.)

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Senator KENLEY